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The Director of Central Intelligence  
Washington, D.C. 20505

National Intelligence Council

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2 April 1985

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

VIA: Vice Chairman, National Intelligence Council

FROM: Carl W. Ford, Jr.  
National Intelligence Officer for East Asia

SUBJECT: The Philippines: Some Personal Thoughts

This memo discusses the Philippines and the USG response to events there from the perspective of a devil's advocate. It attacks the conventional wisdom in many instances and occasionally tromps on others' turf, but all in a spirit of presenting conclusions fairly and objectively. It also plays no favorites taking to task collectors, analysts, and policymakers alike. NIO/EA believes that the situation in the Philippines is deteriorating alarmingly and in ways inimical to US interests. And, although this is recognized in part by the USG, we are not yet fully engaged to deal with the range and extent of troubles that lie ahead.

Philosophy and Assumptions.

1. US attitudes and approach to the Philippines are in transition from that of a friendly allied country on the backburner of attention to a major trouble spot requiring close scrutiny. Likewise, we in the Intelligence Community are in the midst of gearing up to fulfill the policymakers' growing list of requirements for information. Previously, the Philippines had been a back water given cursory treatment by most agencies. Now everyone is scrambling to upgrade their coverage to match the new priority.

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2. Despite the new importance accorded the Philippines much of the activity, in my view, lacks an appropriate degree of urgency. Although the quantity of effort has increased, many initiatives are implemented routinely. Few appear willing to admit that time may not be on our side. They reserve a higher sense of urgency--maybe necessarily so--for current crises and our long-time adversarial relationship with the Soviet Union. A crisis in the making, like the Philippines, is accorded a second order priority. Given the strategic importance of the Philippines to US interests, however, waiting until the crisis is upon us before becoming fully engaged may be a luxury we can ill afford.

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#### Analysis.

The number of analysts in the Intelligence Community devoted full time to the Philippine problem has increased dramatically in recent years. Most agencies have three or four times as many people focusing on the Philippines today as they did just a short time ago. The list of studies completed since 1981, already quite

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impressive, will be greatly expanded by the 1985 production schedules that give even greater prominence to the problem. And although the analysis has been good, it is primarily current intelligence reporting or insights gained inferentially by an accumulation of [ ] embassy cables, and personal experiences, i.e., the "Wiseman" approach. Few indepth research reports to corroborate and supplement these references have been attempted except for economic issues. Without such research insights our understanding of Philippine problems, however, will remain rather shallow with little sense of trends or predictive power.

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Policy--Few Carrots and No Stick.

1. Over the past year, the policy community finally heeded the Community's warnings of trouble in the Philippines.

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2. It sought to achieve these objectives by offering an assistance package that included bilateral, international and multilateral aid conditional on government reforms. It should be noted that little of the assistance was either new or additional funds, rather it was a compilation of existing programs simply projected into the future. All concerned recognized that major new initiatives were not politically acceptable unless President Marcos made significant reforms or left the scene. Sanctions for a failure to reform were also left vague. Although not stated, the consensus assumed that major reforms were unlikely. It may be unfair, but this strikes me as a policy of little more than crossing our fingers and waiting for Marcos to die or step down.

3. In part, this malaise is based on our assessment that there is a fifty percent chance that Marcos will die before the 1987 presidential elections. Many now assume Marcos will not be around much longer and we can afford to wait on making difficult

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decisions. Also prevalent [ ] view that a constitutional succession favoring the present moderate opposition is likely. Unfortunately, there is an equal chance that Marcos will survive past 1987. In addition, [ ] appears overly sanguine to me. Given the US interests at risk, it seems more sensible to be safe rather than sorry, and err on the side of making too many preparations than too few.

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Recommendations.

1) Direct the development immediately [ ] for increasing US coverage of regional political, military, and economic developments in the Philippines both for the short-term and on a sustained basis.

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2) Establish within the DDI/OEA a Philippine Task Force, at "division" level, to continue current reporting efforts and provide a new capability for in-depth research on political, military, and economic topics.

3) Remind principal consumers often of the implications for US policy of President Marcos lingering on without major reforms--an outcome as likely as his passing from the scene to make way for a moderate reform government; and

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*Carl W. Ford Jr.*  
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23 March 1985

MEMORANDUM FOR: National Intelligence Officer for East Asia  
FROM: Director of Central Intelligence  
SUBJECT: Philippines

1. I appreciate your analysis of the degree of potential for disarray in the Philippines, applying the standard of measurement developed [redacted] It does indeed indicate that the situation in the Philippines may be more acute.

[redacted]

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William J. Casey



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